
By: **Senator Gladden**
Introduced and read first time: February 19, 2004
Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City - Alcoholic Beverages - Unexpired Licenses**

3 FOR the purpose of authorizing the Board of Liquor License Commissioners for
4 Baltimore City to determine under certain circumstances the time during which
5 a license may be deemed unexpired; requiring the Board to give a licensee a
6 certain notice within a certain time after the closing of the licensee's business or
7 the cessation of certain alcoholic beverages business operations; allowing a
8 licensee to make a request under certain circumstances for an extension of a
9 license on the grounds that an undue hardship caused a certain business closing
10 or cessation of certain business operations; requiring the Board to hold certain
11 hearings and to grant certain extensions of time under certain circumstances;
12 specifying that a license expires on a certain day under certain circumstances;
13 requiring the Board to give a certain notice to a holder of a license that expired
14 on or before a certain date; requiring the Board to determine whether a certain
15 license should be deemed unexpired and, if so, the terms and conditions of its
16 unexpired status; requiring a secured creditor to sell a certain license within a
17 certain time; specifying the time for calculating the expiration date of a certain
18 license; making stylistic and technical changes; altering a defined term; and
19 generally relating to the expiration of alcoholic beverages licenses in Baltimore
20 City.

21 BY repealing and reenacting, with amendments,
22 Article 2B - Alcoholic Beverages
23 Section 10-504(d)
24 Annotated Code of Maryland
25 (2001 Replacement Volume and 2003 Supplement)

26 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
27 MARYLAND, That the Laws of Maryland read as follows:

28 **Article 2B - Alcoholic Beverages**

29 10-504.

30 (d) (1) (i) This subsection applies only in Baltimore City.

1 (ii) In this subsection, "Board" means the Board of [License
2 Commissioners or the Office of the Comptroller, whichever is the issuing party]
3 LIQUOR LICENSE COMMISSIONERS FOR BALTIMORE CITY.

4 (2) 180 days after the holder of any license issued under the provisions of
5 this article has closed the business or ceased active alcoholic beverages business
6 operations of the business for which the license is held, the license shall expire unless:

7 (i) An application for approval of a transfer to another location or
8 an application for assignment to another person pursuant to § 10-503(d) of this
9 subtitle has been approved or is then pending;

10 (ii) An application pursuant to § 10-506 of this subtitle has been
11 approved or is then pending; [or]

12 (iii) A written request for a hardship extension, as provided in this
13 subsection [, is filed within the 180-day period]; OR

14 (IV) THE BOARD DETERMINES THE TIME FOR WHICH A LICENSE
15 MAY BE DEEMED UNEXPIRED UNDER PARAGRAPH (8) OF THIS SUBSECTION.

16 [(3) The licensee or other appropriate interested parties may make a
17 written request to the Board for an extension of the life of the license due to undue
18 hardship, for a time period of no more than a cumulative period of 360 days after the
19 date of closing or cessation of alcoholic beverages business operations of the business
20 for which the license is held.

21 (4) After a hearing conducted on the extension request, on a finding that
22 undue hardship currently exists causing the closing or cessation of business
23 operations, the Board may grant an extension of the life of the license for a time
24 period not to exceed 360 days as defined in paragraphs (3) and (5) of this subsection.]

25 (3) WITHIN 30 DAYS AFTER THE CLOSING OF THE BUSINESS OR THE
26 CESSATION OF THE ACTIVE ALCOHOLIC BEVERAGES BUSINESS OPERATIONS OF THE
27 BUSINESS FOR WHICH THE LICENSE IS HELD, THE BOARD SHALL GIVE THE
28 LICENSEE WRITTEN NOTICE BY CERTIFIED MAIL OF THE PROVISIONS OF THIS
29 SUBSECTION.

30 (4) (I) ON RECEIPT OF THE NOTICE, THE LICENSEE MAY MAKE A
31 WRITTEN REQUEST TO THE BOARD FOR AN EXTENSION OF THE LICENSE BECAUSE
32 OF AN UNDUE HARDSHIP THAT CAUSED THE CLOSING OR CESSATION OF BUSINESS
33 OPERATIONS FOR WHICH THE LICENSE IS HELD.

34 (II) THE BOARD SHALL HOLD A HEARING ON EACH REQUEST THAT
35 IS FILED.

36 (III) ON A FINDING THAT AN UNDUE HARDSHIP EXISTS, THE BOARD
37 MAY GRANT AN EXTENSION FOR THE TIME THAT THE BOARD DETERMINES.

1 (5) IF A LICENSEE DOES NOT MAKE A WRITTEN REQUEST FOR AN
2 UNDUE HARDSHIP LICENSE EXTENSION, THE LICENSE EXPIRES 150 DAYS AFTER
3 RECEIPT OF THE NOTICE.

4 (6) (I) THE BOARD SHALL GIVE NOTICE BY CERTIFIED MAIL TO THE
5 HOLDER OF A LICENSE THAT EXPIRED ON OR BEFORE SEPTEMBER 30, 2004, STATING
6 THAT THE HOLDER, WITHIN 30 DAYS AFTER RECEIPT OF THE NOTICE, MAY MAKE A
7 WRITTEN REQUEST FOR A BOARD HEARING ON WHETHER AN UNDUE HARDSHIP
8 CAUSED THE LICENSE TO EXPIRE.

9 (II) IF THE BOARD FINDS THAT AN UNDUE HARDSHIP CAUSED THE
10 LICENSE TO EXPIRE, THE BOARD SHALL DETERMINE WHETHER THE LICENSE
11 SHOULD BE DEEMED UNEXPIRED AND, IF SO, THE TERMS AND CONDITIONS OF ITS
12 UNEXPIRED STATUS.

13 [(5)] (7) [It] EXCEPT AS PROVIDED IN PARAGRAPH (8) OF THIS
14 SUBSECTION, IT is the intent of this subsection that the total time period for which a
15 license may be deemed unexpired [under paragraph (2) of this subsection] is 180
16 days if no undue hardship extension is granted[, and no more than 360 days if an
17 undue hardship extension has been granted].

18 (8) (I) THE BOARD MAY DETERMINE THE TIME FOR WHICH A LICENSE
19 MAY BE DEEMED UNEXPIRED IF THE BOARD FINDS THAT:

20 1. THE LICENSED PREMISES HAS BEEN DESTROYED BY FIRE
21 OR OTHER NATURAL DISASTER;

22 2. THE LICENSEE HAS DIED;

23 3. LITIGATION HAS STARTED CONCERNING OWNERSHIP OF
24 THE LICENSE;

25 4. LITIGATION HAS STARTED CONCERNING A TRANSFER OF
26 AN EXISTING LICENSE;

27 5. THE LICENSEE HAS DECLARED BANKRUPTCY;

28 6. CONDEMNATION PROCEEDINGS OF THE LICENSED
29 PREMISES HAVE BEGUN; OR

30 7. THE LICENSEE IS PHYSICALLY IMPAIRED, AS
31 DOCUMENTED BY A PHYSICIAN'S REPORT.

32 (II) A SECURED CREDITOR WHO TAKES POSSESSION OF A LICENSE
33 THAT IS SUBJECT TO THIS PARAGRAPH MUST SELL THE LICENSE WITHIN 1 YEAR
34 AFTER TAKING POSSESSION OF IT.

35 (9) The time period FOR CALCULATING THE EXPIRATION DATE OF A
36 LICENSE UNDER THIS SUBSECTION begins at the earlier of the closing of the business
37 or cessation of alcoholic beverages business AS IDENTIFIED IN THE BOARD'S NOTICE

1 TO THE HOLDER UNDER PARAGRAPH (3) OF THIS SUBSECTION, and shall be tolled
2 only upon the filing of an application or request described in paragraph (2) of this
3 subsection, the expiration period to begin running again, cumulatively to the time
4 period before the filing of the application or request, upon the occurrence of the later
5 to occur of the following events:

6 (i) Final action of the Board granting or denying a request
7 authorized by paragraph [(3)] (4) of this subsection;

8 (ii) Final action of the Board denying an application described
9 under paragraph (2)(i) or (ii) of this subsection; [or]

10 (iii) Final judgment of the appellate court when judicial review of
11 the Board's action on an application or request authorized by paragraph (2) or [(3)]
12 (4) of this subsection has been sought, or on dismissal of a petition for judicial review;
13 OR

14 (IV) FINAL ACTION OF THE BOARD DETERMINING THE TIME FOR
15 WHICH A LICENSE MAY BE DEEMED UNEXPIRED UNDER PARAGRAPH (8) OF THIS
16 SUBSECTION.

17 [(6)] (10) If an application or request to the Board described in paragraph
18 (2) or [(3)] (4) of this subsection is withdrawn, there shall be no tolling of the period
19 for automatic expiration of the license and it shall be deemed as if no such application
20 or request was filed.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 2004.